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LIBERTY, MISSISSIPPI 39645**

Honorable Mayor and Board of Aldermen
Town of Meadville, Mississippi

The accompanying financial statements of the Town of Meadville, Mississippi, for the year ended September 30, 2003, as listed in the Table of Contents was compiled by me in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and the Statement of Cash Flows for proprietary funds. If the omitted disclosures were included, they might influence the user's conclusions about the town's financial condition and operation. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained on pages 6 through 7 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the Town of Meadville, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

CERTIFIED PUBLIC ACCOUNTANT

November 28, 2003

**TOWN OF MEADVILLE, MISSISSIPPI
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 (UNAUDITED)
SEPTEMBER 30, 2003**

| | GOVERNMENTAL | PROPRIETARY | TOTAL | |
|---|---------------------|--------------------|--------------------------|--------------------|
| | FUND TYPES | FUND TYPES | (MEMORANDUM ONLY) | |
| | | | <u>2003</u> | <u>2002</u> |
| <u>ASSETS</u> | | | | |
| Cash | \$ 429,064 | \$ 101,390 | \$ 530,454 | \$ 582,244 |
| Receivables | 8,516 | 7,460 | 15,976 | 15,598 |
| Fixed assets (net of accumulated depreciation) | <u>-</u> | <u>239,835</u> | <u>239,835</u> | <u>258,061</u> |
| Total Assets | <u>\$ 437,580</u> | <u>\$ 348,685</u> | <u>\$ 786,265</u> | <u>\$ 855,903</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 11,122 | \$ 13,496 | \$ 24,618 | \$ 16,494 |
| Notes payable | - | 195,223 | 195,223 | 203,003 |
| Customer deposits | <u>-</u> | <u>6,505</u> | <u>6,505</u> | <u>6,964</u> |
| Total Liabilities | <u>\$ 11,122</u> | <u>\$ 215,224</u> | <u>\$ 226,346</u> | <u>\$ 226,461</u> |
| <u>FUND EQUITY</u> | | | | |
| Retained Earnings: | | | | |
| Unreserved | \$ - | \$ 133,461 | \$ 133,461 | \$ 153,789 |
| Fund balance: | | | | |
| Unreserved | 392,972 | - | 392,972 | 444,878 |
| Reserved - unemployment benefits | 3,938 | - | 3,938 | 3,843 |
| Reserved - police grant | 3,750 | - | 3,750 | 3,750 |
| Reserved - fire insurance rebate | <u>25,798</u> | <u>-</u> | <u>25,798</u> | <u>23,182</u> |
| Total Fund Equity | <u>\$ 426,458</u> | <u>\$ 133,461</u> | <u>\$ 559,919</u> | <u>\$ 629,442</u> |
| Total Liabilities and Fund Equity | <u>\$ 437,580</u> | <u>\$ 348,685</u> | <u>\$ 786,265</u> | <u>\$ 855,903</u> |

The accompanying compilation report is an integral part of this balance sheet.

TOWN OF MEADVILLE, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2003

| | <u>2003</u> | <u>2002</u> |
|---|-------------------|-------------------|
| Revenue: | | |
| Ad valorem | \$ 81,351 | \$ 76,777 |
| Licenses and Permits | 30,778 | 23,862 |
| Intergovernmental | 112,524 | 122,191 |
| Fines and Forfeits | 3,247 | 1,545 |
| Rental Revenue | 8,400 | 15,400 |
| Interest | 10,404 | 14,366 |
| Other | <u>368</u> | <u>106</u> |
| Total Revenue | <u>\$ 247,072</u> | <u>\$ 254,247</u> |
| Expenditures: | | |
| General government | 134,928 | 118,513 |
| Public safety | 36,548 | 37,377 |
| Streets | <u>124,791</u> | <u>80,107</u> |
| Total expenditures | <u>296,267</u> | <u>235,997</u> |
| Excess (deficiency) of revenues over expenditures | <u>(49,195)</u> | <u>18,250</u> |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | <u>(49,195)</u> | <u>18,250</u> |
| Fund balance at beginning of year | <u>475,653</u> | <u>457,403</u> |
| Fund balance at end of year | <u>\$ 426,458</u> | <u>\$ 475,653</u> |

The accompanying compilation report is an integral part of this financial statement.

TOWN OF MEADVILLE, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS--ALL PROPRIETARY FUND TYPES
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2003

| | <u>WATER</u> | <u>SEWER</u> | <u>2003</u> <u>TOTAL</u> | <u>2002</u> <u>TOTAL</u> |
|---------------------------------------|-------------------|---------------|-----------------------------|-----------------------------|
| Operating revenues: | | | | |
| Charges for services | \$ 65,711 | \$ 25,903 | \$ 91,614 | \$ 90,367 |
| Operating expenses: | | | | |
| Personal services | 16,836 | 19,883 | 36,719 | 35,829 |
| Supplies | 10,823 | 7,148 | 17,971 | 9,886 |
| Other services and charges | 24,468 | 7,610 | 32,078 | 25,952 |
| Depreciation | <u>10,980</u> | <u>7,246</u> | <u>18,226</u> | <u>18,226</u> |
| Total operating expenses | 63,107 | 41,887 | 104,994 | 89,893 |
| Operating income | 2,604 | (15,984) | (13,380) | 474 |
| Non-operating revenues (expenses): | | | | |
| Interest - net | (6,948) | - | (6,948) | (2,704) |
| Transfers in (out) | <u>(15,984)</u> | <u>15,984</u> | <u>-</u> | <u>-</u> |
| Total non-operating revenue (expense) | (22,932) | 15,984 | (6,948) | (2,704) |
| Net income (loss) | (20,328) | - | (20,328) | \$ (2,230) |
| Retained earnings, beginning of year | <u>153,789</u> | <u>-</u> | <u>153,789</u> | <u>156,019</u> |
| Retained earnings, end of year | <u>\$ 133,461</u> | <u>\$ -</u> | <u>\$ 133,461</u> | <u>\$ 153,789</u> |

The accompanying compilation report is an integral part of this financial statement

**TOWN OF MEADVILLE, MISSISSIPPI
STATEMENT OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

| <u>DEFINITION AND PURPOSE OF DEBT</u> | <u>BALANCE OUTSTANDING 10-01-02</u> | <u>TRANSACTIONS DURING FISCAL YEAR</u> | | <u>BALANCE OUTSTANDING 09/30/03</u> |
|---|---|--|-----------------|---|
| | | <u>ISSUED</u> | <u>REDEEMED</u> | |
| General Obligation Notes: | | | | |
| State of Mississippi - Capital Improvement Loans: | | | | |
| Water Tank Refurbishing | \$ 56,989 | \$ - | \$ 2,447 | \$ 54,542 |
| Water Well & Transmission System | <u>146,014</u> | <u>-</u> | <u>5,333</u> | <u>140,681</u> |
| Total General Obligation Notes | <u>\$ 203,003</u> | <u>\$ -</u> | <u>\$ 7,780</u> | <u>\$ 195,223</u> |
| TOTAL LONG-TERM DEBT | <u>\$ 203,003</u> | <u>\$ -</u> | <u>\$ 7,780</u> | <u>\$ 195,223</u> |
| Assessed Valuation | <u>\$ 4,223,913</u> | | | |

**TOWN OF MEADVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2003**

| <u>NAME</u> | <u>POSITION</u> | <u>COMPANY</u> | <u>BOND</u> |
|-------------------------|-----------------|-----------------|-------------|
| Bryan A. Emfinger | Police Chief | USF&G | \$ 50,000 |
| Debra King | Town Clerk | American States | \$ 50,000 |
| Gregg Tindle | Mayor | USF&G | \$ 50,000 |
| Charles Calcote | Alderman | USF&G | \$ 3,000 |
| William P. Dickey | Alderman | USF&G | \$ 3,000 |
| Jack Hollingsworth, Jr. | Alderman | USF&G | \$ 3,000 |
| Bart Jones | Alderman | USF&G | \$ 3,000 |
| Vanessa Walker | Alderman | USF&G | \$ 3,000 |

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Mayor and Board of Aldermen
Meadville, Mississippi

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Meadville, Mississippi as of September 30, 2003 and for the year then ended, as required by the office of the State Auditor. This is solely for the use of the governing body of the Town of Meadville, Mississippi, and the office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. My procedures and findings are as follows:

A. I reconciled cash on deposit with the following banks to balances in the respective fund accounts and obtained confirmation of the related balances from the banks.

| <u>BANK</u> | <u>ACCOUNT NAME</u> | <u>BALANCE PER</u> <u>GENERAL LEDGER</u> | |
|------------------|-----------------------------|---|-------------------|
| Bank of Franklin | General | \$ 91,208 | |
| Bank of Franklin | General Building, & Maint. | 65,863 | |
| Bank of Franklin | Fire Dept. Improvement Fund | 295 | |
| Bank of Franklin | Fire Fund Special | 25,798 | |
| Bank of Franklin | Fire Fund # 3 | 7,018 | |
| Bank of Franklin | Street Fund | 2,464 | |
| Bank of Franklin | Employment Ins. Rev. Acct. | 3,938 | |
| Bank of Franklin | Police Grant | 3,750 | |
| Bank of Franklin | Certificates of Deposit | <u>228,730</u> | \$ 429,064 |
| Bank of Franklin | Water and Sewer Rev. Fund | <u>101,390</u> | <u>101,390</u> |
| | Total | | <u>\$ 530,454</u> |

B. As of September 30, 2003 the town held no investment securities.

C. I performed the following procedures with respect to taxes on real and personal property levied during the fiscal year.

1. Proved the mathematical accuracy of the tax rolls and traced levies to governing body minutes.
2. Reconciled the amount of taxes levied per the tax rolls to amounts actually collected.
3. Examined uncollected taxes for the proper handling, including tax sales.
4. Traced distribution of taxes collected to proper funds.
5. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323 of the Mississippi Code, 1972, Annotated.

The assessments were mathematically correct and agreed with collections, as follows:

| | <u>ASSESSED VALUE</u> | <u>TAX</u> | |
|---|----------------------------------|-----------------------|-------------------------|
| | | <u>MILLAGE</u> | <u>LEVY</u> |
| Real Property | \$ 1,753,817 | | |
| Personal Property/Public Utility | 1,550,930 | | |
| Personal - Auto | <u>919,166</u> | | |
| | <u>\$ 4,223,913</u> | 20.00 | 84,478 |
| Less: County Assessor Commissions | | | (919) |
| Uncollected taxes | | | <u>(1,172)</u> |
| Total Taxes Accounted For | | | <u>\$ 82,387</u> |
| Taxes collected and deposited to general fund | | | \$ 81,357 |
| Taxes collected and deposited to fire fund | | | <u>1,030</u> |
| Total Taxes Accounted For | | | <u>\$ 82,387</u> |

The distribution of taxes to funds was in accordance with prescribed tax levies and uncollected taxes were properly handled.

Ad Valorem tax assessments were found to be within the limitations of Sections 27-39-320 to 27-39-323, Mississippi Code, 1972 Annotated, as follows:

| | | | |
|-------------------------|----------------------------|-------------------------|------------------------|
| \$ 76,777 | Base - 2002 | \$ 82,387 | Taxes Collected - 2003 |
| 7,678 | 10% increase | - | |
| - | Exempt Collections | <u>2,068</u> | (Over) Under Limit |
| <u>\$ 84,455</u> | Total Ad Valorem Available | <u>\$ 84,455</u> | |

D. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposit in banks and recording in the general fund.

Cash receipts were as follows:

| <u>PAYMENT PURPOSE</u> | <u>FUND</u> | <u>AMOUNT</u> |
|-----------------------------------|--------------------|----------------------|
| Sales Tax | General | \$ 98,805 |
| Fire Protection Allocation | General | 2,346 |
| Gasoline Tax | General | 2,110 |
| General Municipal Aid | General | 271 |
| Grand Gulf Nuclear Plant | General | 8,414 |
| Homestead Exemption Reimbursement | General | 6,100 |

E. I selected a sample of purchases made by the municipality during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Section 31-7-1, 31-7-13, 31-7-49, 31-7-57, Mississippi Code, 1972 Annotated, as applicable.

The sample consisted of the following:

| | |
|------------------------|-----------|
| Number of sample items | 18 |
| Dollar value of sample | \$ 23,796 |

I found the town's purchasing procedures to be in compliance with the above sections.

F. I have read the Municipal Compliance questionnaire completed by the Town. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the specified accounts or items should be adjusted. Had I performed additional procedures or had I conducted an audit on the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Town of Meadville, taken as a whole.

CERTIFIED PUBLIC ACCOUNTANT

November 28, 2003